

FISCAL NOTE

SB 2721 - HB 2789

March 7, 2006

SUMMARY OF BILL: Requires the licensure and regulation of defensive driving schools and employees and driver safety schools and employees by the Department of Safety. Requires the Department to design, print and supply certificates for the schools to be used for certifying and evidencing completion of courses. Authorizes the Department to charge license fees for schools and instructors and to charge a fee for the issuance of certificates. Any attempt to defraud, forge, alter or unlawfully obtain any certificate is punishable as a Class E felony. All other violations are punishable as a misdemeanor.

ESTIMATED FISCAL IMPACT:

Increase State Revenues – Exceeds \$225,000

Increase State Expenditures - \$196,600 Recurring

\$16,800 One-Time

\$32,900 Incarceration*

Increase Local Govt. Revenues – Not Significant

Increase Local Govt. Expenditures – Not Significant

Assumptions:

- An increase in state revenues from licensing fees for schools and instructors and from fees charge for the issuance of certificates.
- The Department of Safety will be charged with the regulation of driving schools.
- A recurring increase in state expenditures to fund the salary, benefits and operational expenses for seven additional positions in the Department of Safety.
- A one-time increase in state expenditures for office furnishings and computer equipment.
- According to the U.S. Census Bureau, population growth in Tennessee has been 1.09 percent per year for the past ten years, yielding a projected compound population growth of 13.6% over the next ten years.

- Five persons will be convicted of Class E felony offenses in the first year. Population growth of 1.09 percent per year will result in one additional offender charged with this offense in the tenth year as a result of this bill. The maximum cost in the tenth year, as required by Tenn. Code Ann. §9-4-210, is based upon six offenders serving 0.3 years.
- Six offenders will serve 0.3 years time (109.58 days). According to the Department of Correction, the average operating cost per inmate per day for calendar 2006 is \$50.02. The cost per inmate is \$5,481.19 (\$50.02 x 109.58 days). The total operating cost for six offenders is \$32,887.14 (\$5,481.19 x 6).
- There will not be a sufficient number of misdemeanor prosecutions for local governments to experience any significant increase in revenues or expenditures.

**Tennessee Code Annotated, Section 9-4-210, requires that: For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated from recurring revenues shall be based upon the highest cost of the next 10 years, beginning with the year the additional sentence to be served impacts the correctional facilities population.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director